EDISON

Jersey Electricity

H1 trading broadly in line with FY expectations

Utilities

15 June 2026

JEL reported a steady H126, with revenue increasing 1.3% y-o-y to £83.4m and PBT declining 4.6% y-o-y to £10.0m, due to higher operating expenses and lower finance income. EPS decreased to 25.76p, from 26.60p in H125, while electricity unit sales declined 2.7% to 355.5m units, reflecting milder weather. Energy revenue increased £0.7m to £69.0m and operating profit rose £0.1m to £10.4m, supported by the tariff increases implemented in January 2025 and March 2026, tariff mix effects and operating efficiency. Net cash reduced to £2.8m, from £8.5m at H125, reflecting higher capital investment, while the proposed interim dividend increased 5.0% to 9.26p.

Year end	Revenue (£m)	EBIT (£m)	EPS (p)	DPS (p)	P/E (x)	Yield (%)
9/24	135.7	15.3	37.92	20.40	11.9	4.5
9/25	146.2	14.8	35.90	21.42	12.5	4.8
9/26e	150.4	17.4	40.46	22.58	11.1	5.0
9/27e	154.6	17.5	40.63	23.81	11.1	5.3

Note: EBIT is normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments. EPS is reported. 9/25 DPS: includes FY25 final dividend and FY26 interim dividend.

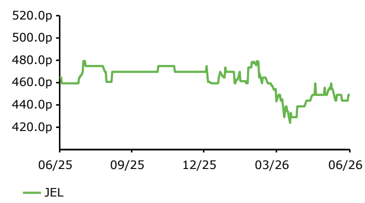
Non-energy trading was weaker in the period. Retail reported a small operating loss of £0.02m, compared with a £0.1m profit in H125, Building Services reported a £0.2m loss, Property profit declined to £0.3m from £0.7m and Other businesses reported a £0.3m loss, reflecting continued investment in technology capability and lower-than-anticipated sales volumes. Reported group operating profit was broadly flat at £10.2m, helped by the absence of the H125 property revaluation loss; operating profit before property revaluation declined from £10.7m to £10.2m, as higher operating costs offset stable cost of sales.

The £180m five-year strategic investment programme continues to progress. The Big Upgrade remains on schedule, with investment targeted using smart metering data to identify capacity-constrained infrastructure, while the N2 subsea cable tender is at best and final offer stage, with contract award planned for summer 2026. Rue d'Olive is now operational, and Sorel is scheduled for commissioning in mid-summer 2026, taking Solar 5000 close to 50% of its ground-mounted target, although the remainder of the ground-mounted programme will require further engagement with the incoming government following the June 2026 elections. The La Collette Resilience Programme is advancing, but the tender process for replacement gas turbines has highlighted a constrained global market. JEL's near-term electricity purchases are fully hedged to end-December 2026, substantially hedged to December 2027 (providing profitability visibility), and the company is in the final stages of negotiating a new long-term supply agreement to 2031, with initial hedges already executed for 2028 and 2029.

H126 trading is broadly consistent with our FY26 forecasts, although JEL is typically H1 weighted due to winter electricity demand. Revenue of £83.4m represents 55.5% of our FY26 forecast of £150.4m, group operating profit of £10.2m represents 58.4% of our FY26 EBIT forecast of £17.4m, PBT of £10.0m represents 62.6% of our FY26 forecast of £16.0m and EPS of 25.76p represents 63.6% of our FY26 forecast of 40.5p. Capex of £12.1m represents only 33.6% of our FY26 forecast of £36.0m, suggesting H2 spend will be greater than H1. Net cash of £2.8m compares with our forecast year-end FY26 net debt of £11.5m, leaving room for the expected balance sheet movement as investment ramps. We leave our forecasts and 731p/share valuation unchanged.

Price	**450.00p**
Market cap	**£52m**
Net cash/(debt) at H126	£2.8m
Shares in issue	11.6m
Free float	38.0%
Code	JEL
Primary exchange	LSE
Secondary exchange	N/A

Share price performance



Business description

Jersey Electricity is a vertically integrated power utility dealing in the importation, generation, transmission and distribution of electricity to Jersey. It also operates businesses in retail, property and business services on the island.

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